

Message

From: Moran, Robin [moran.rob@epa.gov]
Sent: 12/6/2017 5:16:15 PM
To: Charmley, William [charmley.william@epa.gov]; Bolon, Kevin [Bolon.Kevin@epa.gov]; Olechiw, Michael [olechiw.michael@epa.gov]; Alson, Jeff [alson.jeff@epa.gov]
Subject: Forbes: Toyota Brand Chief Says Fuel Economy Regs Out Of Line With Gas Prices and Politics

<https://www.forbes.com/sites/davidkiley5/2017/12/05/toyota-brand-chief-says-fuel-economy-regs-out-of-line-with-gas-prices-and-politics/#709e2fc67a8a>

Toyota Brand Chief Says Fuel Economy Regs Out Of Line With Gas Prices and Politics

The U.S chief of the Toyota brand said that there remains a huge imbalance and gap between companies being able to meet existing government mandates to reach exiting fuel economy targets and consumer demand to buy the kind of alternative-fuel vehicles it will require to meet those targets.

"Everyone [automakers] is making progress in increasing the fuel economy of their fleets, but we're still not going to get there—not without the government incentives for purchase [of electric and hydrogen vehicles]," said Jack Hollis, group vice president and general manager of the Toyota Division, speaking at the Automotive Press Association meeting in Detroit.

"Right now, I can't tell you how we are going to get there," said Hollis. "Because with gas prices where they are and government incentives on the way down, it is hard to see how we get there."

In 2011, President Obama announced an agreement with thirteen automakers to increase fuel economy to 54.5 miles per gallon for cars and light-duty trucks by model year 2025. Ford, GM, Chrysler, BMW, Honda, Hyundai, Jaguar/Land Rover, Kia, Mazda, Mitsubishi, Nissan, Toyota, and Volvo—which account for over 90% of all vehicles sold in the United States—and the State of California, all signed on and supported the measure.

In 2016, the EPA, NHTSA the California Air Resources Board (CARB) released a paper that stated that despite the progress in technology, the 54.5 mpg target is unrealistic. That mpg target was based on a market analysis that the mix of new vehicles sold would be about 67% passenger cars and 33% trucks and SUVs. But with gas prices kept below \$3.00 per gallon in most parts of the country, the mix has been reversed with nearly two-thirds of the new vehicles being sold trucks, SUVs and crossovers.

The White House has ordered the Environmental Protection Agency to review the fuel economy regulations, and the administration has so far demonstrated itself to be largely pro-business on regulations concerning power plants, coal, and it is expected to be lenient with automakers too.

The current Federal tax credit for electric vehicles of between \$2,500 and \$7,500 is phased out when a manufacturer has sold 200,000 such vehicles.

Hollis says that Toyota, which has sold more than half the hybrid and EV cars on the road today, will continue to pursue a diverse portfolio of technology—improvements in its gas-electric hybrid drivetrains; improvement in internal combustion engines; improvements in diesel engines it sells in Europe and other markets where diesel passenger cars are popular; electric vehicles and hydrogen vehicles.

Toyota has developed a hydrogen-powered Class 8 "Big Rig" truck that it is using to haul auto parts between the Los Angeles and Long Beach California ports to warehouses in Southern California. The Long Beach Port is a hydrogen fueling station also serves as a fueling station of the Toyota Mirai, a hydrogen-powered passenger car Toyota is selling to the public in California.

"Hydrogen is very attractive as a fuel because the filling cycle is very much the same as filling a car with gasoline," says Hollis. "But we must have great re-fueling infrastructure to support this technology if it's going to be adopted by consumers in any kind of scale."

Hollis added that the shift to hydrogen in California in the port areas is key to address what he says is one of the highest rates of cancer in the U.S., pointing to the carbon emissions generated by port traffic.

Hollis also said that Toyota expects industry sales in 2017 to top 17 million, but the company expects a slight falloff in 2018 to around 16.8 million.

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From: NADA Headlines [mailto:nadaheadlines@nada.org]







Sent: Wednesday, December 06, 2017 11:57 AM

To: Moran, Robin <moran.robin@epa.gov>

Subject: GAO to Toomey: CFPB Failed to Comply with Law on Indirect Auto Lending Regulation

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don't, Congress should hold them accountable."

-- U.S. Senator Pat Toomey, in a news release, Dec. 5

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TOP STORIES

GAO to Toomey: CFPB Failed to Comply with Law on Indirect Auto Lending Regulation

WASHINGTON -- In a review requested by U.S. Senator Pat Toomey (R-Pa.), the Government Accountability Office (GAO) on Dec. 5 confirmed that the Consumer Financial Protection Bureau (CFPB) violated the Congressional Review Act when it issued a 'bulletin' regulating third-party auto lenders in 2013 ...

Sen. Toomey's statement: "GAO's decision makes clear that the CFPB's back-door effort to regulate auto loans, which was based on a dubious legal justification, did not comply with the Congressional Review Act. GAO's decision is an important reminder that agencies have a responsibility to live up to their obligations under the law. When they don't, Congress should hold them accountable. I intend to do everything in my power to repeal this ill-conceived rule using the Congressional Review Act."

While the Dodd-Frank Act of 2010, which created the CFPB, prohibited the Bureau from regulating auto dealerships, the CFPB issued a guidance document, or 'bulletin,' in March 2013 that imposed restrictions on third-party lenders whose loans are made available to car buyers at a dealership.

GAO's decision that the "Indirect Auto Lending and Compliance with the Equal Credit Opportunity Act" bulletin is, in fact, a rule may now give Congress the option to overturn the bulletin via a simple majority vote of both chambers of Congress under the Congressional Review Act.

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
Source: U.S. Senator Pat Toomey

Editor's note: The CFPB's auto finance guidance – which threatened the ability of auto dealers to offer consumers discounted auto loans – was part of a larger attempt by the Bureau to change the \$1 trillion auto loan market and limit market competition without prior public comment, using flawed statistics, and without analyzing the impact of its guidance on consumers. NADA has long argued it was also an attempt to avoid the provision in the Dodd-Frank Act that keeps the jurisdiction of auto dealers with the Department of Justice, Federal Trade Commission and Federal Reserve, and explicitly prohibits the CFPB from regulating auto dealers. NADA applauds Sen. Toomey for his initiative in requesting that the GAO evaluate whether the CFPB's auto lending guidance constitutes a rule under the Congressional Review Act, which would subject it to the appropriate procedural safeguards to ensure CFPB transparency and accountability.

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U.S. NAFTA Proposals 'Wholly Unworkable,' Canada's Top Negotiator Says


Canada-United States Free Trade Agreement would kick in if U.S. leaves NAFTA

 Canada's chief NAFTA negotiator delivered a stark warning to members of parliament on Monday, telling them that changes proposed by the United States would hit the North American auto industry hard. Steve Verheul told members sitting on the trade committee the U.S. auto proposals, which include 85 percent regional content and 50 percent U.S. content when it comes to rules of origin, are "wholly unworkable."

Source: Automotive News

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Toyota Brand Chief Says Fuel Economy Regs Out Of Line With Gas Prices and Politics

 The U.S. chief of the Toyota brand said that there remains a huge imbalance and gap between companies being able to meet existing government mandates to reach exiting fuel economy targets and consumer demand to buy the kind of alternative-fuel vehicles it will require to meet those targets. "Everyone [automakers] is making progress in increasing the fuel economy of their fleets, but we're still not going to get there—not without the government incentives for purchase [of electric and hydrogen vehicles]," said Jack Hollis, group vice president and general manager of the Toyota Division, speaking at the Automotive



Upcoming NADA Webinars

Dec. 6 - Best Practices for Effective Internet Departments (12 pm)

NADA members can view past webinars on-demand at no charge at NADA University Online. Members must create an NADA account before viewing.

Press Association meeting in Detroit.

Source: *Forbes*

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Cadillac Gives Dealers Reprieve after 'Many' Miss Pinnacle Sales Goals

Cadillac, in an acknowledgment that it lacks fresh products, will weigh customer-satisfaction scores and compliance with brand standards more heavily than sales volumes when determining U.S. dealer bonuses for 2018. The brand also will not give dealers sales targets for individual nameplates. "Many" dealerships have fallen short of their targets this year, Cadillac President Johan de Nysschen told Automotive News. He attributed the shortfalls to Cadillac's sedan-heavy lineup, relatively flat sales of luxury vehicles overall and the brand's more disciplined use of consumer incentives.

Source: *Automotive News*

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Fiat Chrysler CEO Says in Talks with Hyundai on Tech Partnership

Fiat Chrysler Automobiles is in talks with South Korea's Hyundai about a technical partnership, but there are no merger talks between the two, FCA Chief Executive Sergio Marchionne said on Saturday. FCA is often the subject of merger speculation, especially after its unsuccessful 2015 attempt to tie up with larger U.S. rival GM. Its share price jumped to record highs in August after reports of interest from China and Hyundai.

Source: *Reuters*

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BMW Aims for a 50% Increase in Electric Vehicle Sales Next Year

BMW AG is targeting another ambitious hike in plug-in hybrid and battery car sales next year to defend its position in the electric-car shift as competitors like Volkswagen AG ready their own battery lineups. The planned increase to about 150,000 cars sold would represent a 50 percent rise from this year, and a jump of about two-thirds from last year's deliveries of green cars. BMW, an early mover in the electric-car shift with 2013's i3, is facing increasing competition from rivals like

Mercedes-Benz and Volkswagen.

Source: Bloomberg

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Now Available: New Driven Guide on Used Car Rule

NADA recently published *A Dealer Guide to the FTC Used Car Rule*, which provides franchised automobile and commercial truck dealerships an overview of the revised federal Used Car Rule. This *Driven* guide also



includes a detailed overview of the revised Buyers Guide and instructions on properly completing the Buyers Guide form, along with a number of templates and other examples. **Members may access the new guide [here](#).**

Source: NADA

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NADA SHOW NEWS

NADA Show 2018 Announces Workshop Schedule and New Distinguished Speaker Series

Dealership Managers Benefit from Attending the NADA Show

The schedule for the educational workshops offered at NADA Show 2018, which runs from Thursday, March 22, to Sunday, March 25, in Las Vegas, is available for viewing.

The workshop tracks are Dealer/Executive; Employee Recruiting, Hiring and Retention; Digital & Traditional Marketing; Legal & Regulatory; Fixed Ops (includes parts); and Variable Ops (includes sales). During the workshop sessions, dealers, managers and industry experts will work together towards actionable solutions to the challenges facing dealerships.



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The dealership management team from Laurel Auto Group in Johnstown, Pa., attend a past

NADA Show in New Orleans.

Michael Smith, president of Laurel Auto Group in Johnstown, Pa., will be sending 12 dealership employees from his management team to the NADA Show in Las Vegas next March.

"The educational workshops are the No. 1 reason, among my employees, to attend the NADA Show year after year after year," said Smith, a NADA board member who is currently serving as chairman of NADA's Dealership Operations Committee, which selects the workshop speakers and topics.

"We take the educational sessions very seriously. We always have and we always will," he added. "And it's because we see great value for the dollar expended. We get a great return on investment. I don't think there's a better training ROI in the industry that I know of than NADA, and I would challenge anybody to show me a better one."

Now is the time to look over the schedule and plan accordingly. Workshops can be searched by track, date, topic and presenters in the advanced search feature. [Click here](#) for the full workshop schedule and list of presenters.


The new Distinguished Speaker Series includes four dynamic speakers who go beyond the NADA Show's six traditional workshop tracks to discuss Leadership, Culture, Team Building, and Personal and Business Success. [Click here](#) for the list of speakers.

Once you've registered for NADA Show 2018, be sure to add these new educational offerings to your schedule. [Click here](#) to register.

Source: NADA

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Dealership Managers Benefit from Attending the NADA Show

The NADA Show is not just for dealer principals. The annual "auto industry event of the year" provides the educational, business solutions and networking opportunities to help dealership managers find real solutions to the challenges they face in every department covering employee hiring, retention and training; digital and traditional marketing;  legal and regulatory updates; parts and service; sales management and more. Managers of all kinds -- general managers, sales managers, marketing directors, e-commerce and internet sales managers, social media managers, CRM managers, BDC managers, CPO managers, fixed-operations managers and finance and insurance managers -- are all encouraged to take a close look at the workshop offerings.

As a manager, getting approval from your boss to attend NADA Show

2018 is all about demonstrating why you need to be there—showing the ROI. We've put together an easy, **four-step guide** to getting your boss to sign off on what will be a major boost to your skills and connections for your dealership and for your own career.

Source: NADA

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